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TAGS: [PGOV](#) [PREL](#) [EC](#)
SUBJECT: CONGRESS READY TO ACT; CORREA RALLYING SUPPORT

Classified By: PolChief Erik Hall for reasons 1.4 (b&d)

11. (C) Summary: An overwhelming but still fluid majority in Congress is preparing to act quickly on its own package of constitutional reforms and to seize control of key independent positions, including the positions of Attorney and Comptroller General. Its intention is to attempt to thwart the incoming government of president-elect Rafael Correa from imposing its own reforms via referendum and constituent assembly. Rhetoric from both sides escalated during the first week the new Congress has been in session, but neither side is likely to prevail at the outset. We are encouraging respect for the constitution and dialogue, but do not seek to directly enter the fray. The Ambassador will meet with the President of Congress on January 11 to show support for Congress as a key democratic institution. End Summary.

Correa Barnstorming, lashes out

12. (SBU) President-elect Correa has been criss-crossing the country to urge citizens to support his proposal for a referendum on a national constituent assembly to rewrite the constitution. He has not been shy to threaten unspecified action, if the referendum is blocked by the Supreme Electoral Tribunal (TSE) or Congress. The TSE does not have authority to question his orders, he asserted in a televised interview on January 7, and its refusal to act on them would constitute a violation which would justify the use of "popular force" or the creation of an ad-hoc body to administer the referendum. Government Minister-designate Gustavo Larrea has been more moderate in his public statements, expressing confidence that the TSE would not challenge Correa's order. Correa's heavy travel schedule, complete with large public rallies at every stop, appear to be taxing the president-elect. On January 9 he snapped petulantly at a reporter he considered to be disrespectful in Manabi province, provoking a media outcry.

Plans Pre-Inaugural Ceremony

13. (SBU) Correa will reportedly cap his pre-inaugural week with an unofficial investiture ceremony in Zumbahua on January 14, the highlands indigenous town where he spent a year after college working at a Salesian mission. He will be joined there by Presidents Chavez of Venezuela and Morales of Bolivia, according to press reports, for an indigenous ceremony to bless the new government.

Congress Getting Settled

14. (C) Meanwhile, in the new Congress, which took office on January 5, an anti-assembly majority has formed, consisting of the PRIAN, PSP, PSC, and UDC parties. To preserve the majority, which exceeds by just two votes the 67 votes needed to make pass constitutional reforms, the alliance expelled two deputies from the PSP on January 8 (one was PSP leader Lucio Gutierrez' estranged wife, who has since filed for divorce) who had disaffiliated themselves from the party upon taking office, replacing them with party loyalists.

Changing of the Guard in the PSC?

15. (C) PSC old-guard leader and former president Leon Febres Cordero added to the week's tumult by resigning from his seat in Congress (and the congressional immunity that goes with it) for reasons of ill health. He was replaced by his alternate, not affecting opposition numbers, but generating speculation over whether rival PSC leader Jaime Nebot would assume undisputed national leadership over the party. Nebot, the powerful mayor of Guayaquil, has publicly denied any such interest, but party insiders tell us Nebot fully intends to control the party from behind the scenes.

Opposition Ready to Act?

16. (C) PSC national party president Pascual del Cioppo told PolChief on January 10 that the opposition alliance is poised to act on reforms before it loses any more of its members. He alleged that MinGov-designate Larrea had offered another PSC member of congress input on the selection of various appointed Guayas officials in exchange his support of the referendum/assembly. The offer was rebuffed, but as a precautionary measure the majority will refrain from divvying up congressional committee leadership assignments for a few weeks, del Cioppo said, to preserve its majority from any further defections by disappointed leadership aspirants within its ranks.

17. (C) Instead, according to del Cioppo, the majority planned to approve the composition of a new TSE on January 10. The opposition would then move on January 11 to approve a constitutional reform package consisting of reforms in three thematic areas, as follows:

- Economic - Change the official currency from the Sucre to the dollar (not currently enshrined in the constitution; this would protect against fears that Correa's policies could eventually put dollarization at risk); permit part-time hiring of employees (currently restricted under the labor code); allow individuals to choose between the government's and a private social security scheme (employers would contribute same amount);
- Social - permit lifetime imprisonment for criminals convicted of murder; prohibit abortion; outlaw mandatory union membership for teachers (it would become optional, and weaken control of the education sector by one, far-left political party, the MPD);
- Political - create an electoral chamber of the Supreme Court, to judge electoral violations by parties (currently self-policed by the major parties in the TSE); limit Supreme Court magistrate terms to 8 years and impose a maximum age limit (currently for life, without a limit). In addition, according to del Cioppo, Lucio Gutierrez proposes to give the vote to the military and police (currently barred from the right to vote), but this proposal lacks consensus.

According to del Cioppo, the opposition majority in Congress would pass these reforms by taking up an existing reform proposal, introduced over a year ago (the constitution provides for a year-long debate period before constitutional reforms can be passed), and modify it with these elements.

18. (C) On January 12, according to the optimistic projections of del Cioppo, the opposition majority would move to name an Attorney General proposed by the PRIAN, (but not Noboa's VP candidate Vincente Taiano, floated as a

possibility earlier) and a list of three Controller General candidates from which president Correa would choose, selected by the PSP and including former Gutierrez government officials Mauricio Pozo and Carlos Polit.

Prospects for Compromise?

¶9. (C) Del Cioppo said he would promote a compromise whereby Correa would be invited to offer his constitutional reform package, which would be put to the people by referendum, offering them a choice between keeping the existing constitution, or selecting between Correa's and Congress' reform packages. Whichever they choose would become law. Nobody in the alliance is rejecting this idea yet, but del Cioppo worried that PRIAN leader Alvaro Noboa favors "chaos" over any accommodation with Correa. He distinguished that extreme position from that of the PSC, which opposes Correa's agenda, but does not seek to provoke political chaos. Asked whether there were signs of PSP wavering over the assembly, del Cioppo said he perceived the PSP to be firmly supporting the opposition majority agenda for the moment, but he acknowledged that PSP leader Lucio Gutierrez could potentially be swayed should Correa offer his support for investigation of outgoing President Palacio for corruption.

Comment

¶10. (C) Much of what is taking place is for show, and both Correa and the opposition appear to be thriving on the political theater and not ready to acknowledge the need for compromise. Amidst the hyperbole, Correa's point man on reform, incoming Government Minister Gustavo Larrea, seems sanguine that the majority will not hold (probably a safe bet in Ecuadorian politics), and that agreement can be reached with Congress without resorting to extra-constitutional measures. We have sought to avoid being drawn in to the debate over an assembly, except to acknowledge the need for the new government to respond to popular demands for positive change within constitutional bounds. The Ambassador will meet with the President of Congress on January 11 to signal USG support for Congress as an institution, without commenting publicly on the assembly.

¶11. (C) The opposition should be able to reconstitute the electoral tribunal relatively easily, but after that, their agenda could easily bog down. The procedure for passing constitutional reforms will be controversial, and the content of those reforms could cost votes in Congress and support in the street. The appointments of Attorney and Comptroller Generals will be especially controversial, and could undermine the credibility of the opposition. The constitution mandates that the candidates for the former be qualified and forwarded by a judicial body (the opposition argues Congress has the right to appoint since the judicial selection process has been delayed), and public opinion is strongly against the selection of authorities allied with particular political forces. Regardless, the opposition is vulnerable to attack by the popular new president for offering 'more of the self-serving same,' which could strengthen popular support for the assembly. As the ultimate swing vote, Lucio Gutierrez, having lost a spouse to the issue, may be the man who determines how to resolve the brinkmanship over a constituent assembly.

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